

# Fair Housing Laws Include Home Loans

Fair housing laws forbid discrimination in housing based on a person's race, color, national origin, religion, sex, familial status, handicap (disability), elderliness (55 and older), or marital status. Other laws forbid discrimination in certain credit transactions. These laws apply to any loan that concerns a home. Fair housing laws cover the following types of loans:

- Mortgages to buy existing homes
- Mortgages to buy a lot to build a home on
- Mortgages to build a home
- Mortgages to repair or add on to a home
- Refinancing a home
- Home equity loans
- Any loan secured by a home

Fair housing laws apply to any entity making real estate loans or loans secured by real estate. This includes

banks, savings and loan associations, credit unions, mortgage companies, and finance companies.

Discrimination can take many different forms.

## I. Refusing Service

Lenders cannot refuse to serve any person based on their membership in a protected class. A lender must provide the following information on request to anyone involved in a real estate transaction:

1. Information about what loan packages or finance products are available.
2. What a borrower needs to qualify for a loan, including what forms must be completed and the type of credit history/ background a borrower is required to have.
3. An explanation of how the lender reviews and approves loans, and any standards for approving loans.
4. Information about financial assistance programs available to borrowers such as first time homebuyer

programs and down payment assistance.

## II. Processing Loan Applications

A lender cannot process an application for a loan differently from the way applications for the same types of loans are processed based upon the applicant's membership in a protected class.

1. A lender must use credit reports in the same way for the same types of loans.
2. A lender cannot refuse to process a loan application from a person in a protected group. A lender may prescreen all applicants to see if they meet credit standards before completing the application process.
3. A lender cannot demand different or additional information from people in protected groups than from others applying for the same type of loan.
4. Lenders cannot claim a house has a lower value because it is owned or

occupied by a member of a protected group.

5. A lender cannot process loan applications from people covered by fair housing laws slower than other loan applications.
6. A lender cannot provide false or different information to people in protected groups, such as falsely claiming that loans are not available.

## III. Denial of Loans

Lenders cannot deny loans to people in protected groups for different reasons than they would deny loans to other applicants. Any person denied a loan has the following rights:

1. To get a statement from the lender stating why the loan was denied. A lender must either send a written statement or tell how to get a statement of the reason for the denial of the loan.
2. To obtain a copy of their credit report from the credit bureau used by the lender. Credit bureaus frequently do not charge for copies of

credit reports when a person has been denied credit within the past thirty days. One out of three people who view their credit reports end up disputing information. Three out of four of these disputes result in the credit bureau correcting the credit report.

3. To get a copy of the lender's report regarding loans granted and applications submitted by minorities and low income borrowers.

#### IV. Terms and Conditions of Loans

Lenders cannot treat people in protected groups differently regarding the terms and conditions of loans offered to them. These terms and conditions include (when equally qualified):

- Interest rate
- Need for cosigner
- Amount of payments
- Length of loan
- Need for mortgage insurance
- Amount of loan
- Amount or type of collateral

#### V. If You Think You Have Been Discriminated Against

Lending discrimination is against the law. Victims of discrimination have several remedies. Fair housing agencies such as the Fairfax County Human Rights Commission will investigate and try to resolve fair lending complaints at no cost to the person making the charge. Remedies available for violations of the laws against unfair lending include monetary damages, approval of loans, and civil penalties.



Unfair lending, like all unfair housing practices, cannot be stopped unless someone reports it. Please do your part. If you want to report an unfair lending practice or want more information on fair housing contact the Fairfax County Human Rights Commission.

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12000 Government Center Pkwy.  
Suite 318  
Fairfax, Virginia 22035-0093  
[www.fairfaxcounty.gov/hrc](http://www.fairfaxcounty.gov/hrc)

Phone 703-324-2953  
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Fairfax County is committed to nondiscrimination on the basis of disability in all county programs, services, and activities and will provide reasonable accommodations/ alternative information formats upon request.



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## FAIR FINANCING

### A BORROWER'S GUIDE TO FAIR LENDING RIGHTS

### FAIR HOUSING PROGRAM



Human Rights Commission  
Fairfax County, Virginia